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INFORMAL FINANCIAL PRACTICES AND SOCIAL NETWORKS TRANSACTION GENEALOGIES

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The Kenya Financial Sector Deepening (FSD) programme was established in early 2005 to support the development of financial markets in Kenya as a means to stimulate wealth creation and reduce poverty. Working in partnership with the financial services industry, the programme's goal is to expand access to financial services among lower income households and smaller enterprises. It operates as an independent trust under the supervision of professional trustees, KPMG Kenya, with policy guidance from a Programme Investment Committee (PIC). Current funders include the UK's Department for International Development (DFID), the Swedish International Development Agency (SIDA), and the Bill and Melinda Gates Foundation.



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EXECUTIVE SUMMARY

Introduction

Recent research has found that Mobile Money Transfer (MMT) is facilitating informal interpersonal transfers that are far more varied and complex than suggested by the 'send money home' domestic remittance entry-point rationale of M-Pesa (Johnson, Brown & Fouillet, 2012). Rather, MMT is being used to transfer funds through social networks which incorporate gifts, various forms of 'assistance', and borrowings for a range of purposes. Indeed, the research suggests that MMT has in fact enabled these informal financial sector transactions to grow and operate more efficiently, offering increased competition to the formal financial sector.

However, relatively little is known about this nexus of interpersonal transactions. As a result, policymakers seeking formal financial inclusion, and formal sector providers competing with the informal sector, need to better understand the underlying logic of these transactions and their importance in people's lives in order to design policy, products and services that can learn from and respond to them.

This research investigated what types of exchanges are involved in interpersonal transfers (e.g. money, advice, food, labour etc.), the social relationships involved (e.g. immediate family, extended family, friends and neighbours), the nature of these transactions (e.g. gifts, borrowing, charity), and the contexts in which they occur (e.g. business, education, health etc.). The respondents were 32 men and 30 women in Mathira, Nyamira and Kitui who the team had met in previous research and which therefore produced easy discussion. Research was conducted through in-depth interviews in which respondents were asked about 'significant or important' forms of support which they had given and received over the previous year (though some related older examples), and then about the forms of support that were most 'frequently' given and received. This deliberate focus on 'significant or important' forms of support allowed respondents to relate examples which had meaning to them and did not suggest that the amounts involved should necessarily be large. It then sought to balance this with an understanding of what might be more frequent forms of support. The question did not focus on the use of MMT — indeed, in our very low-income and largely rural sample, some did not have access to it and for most it was used only infrequently.

FINDINGS OVERVIEW

Types of support: Financial transfers were the most frequently reported, both as 'significant' and 'frequent' forms of support. These were followed

by forms of support that involved advice, goods, food and labour. The identification of advice as a category of support is perhaps surprising but it illustrates how highly people value trustworthy information and guidance, particularly when they face problems in their lives. Moreover, exchanges within each relationship frequently involve different types of support flowing in both directions.

Nature of support: Three-quarters of cases of support involved an exchange that was not expected to be directly returned and only a quarter involved a transaction that was clearly identified as borrowing. Arrangements for returning resources are usually agreed at the outset but there can also be cases where there is a lack of clarity and the boundaries between gifts and borrowing become unclear.

Relationships within which support occurs: Friends and siblings were the most frequently mentioned relationships in which significant or important support had been given or received. Perhaps surprisingly, few cases of such support were reported from immediate family members such as spouses, parents and children. Relationships with siblings are much more varied than those with immediate family, not least because they are often numerous and may be geographically scattered. Therefore, this pattern of reporting 'significant' support suggests that it is particularly meaningful when it comes from friends and siblings because it cannot be taken for granted in the same way as support given to or received from immediate family. Moreover, these relationships beyond the immediate family are particularly useful as they create connections which diversify sources of support and give access to a wider resource base, which can also help to manage idiosyncratic risks and shocks. The pattern of relationships with friends before siblings was stronger for men than women, who more frequently reported exchanges with their own siblings (usually brothers) and then in-laws (often sisters), followed by their friends.

Consolidating friendship through financial support

The exchange of financial support served to develop and consolidate relationships. The open-ended give and take of resources with friends was often explained as being something that was not reckoned, even though it could involve some quite significant sums relative to income:

- A young man had received Kshs10,000 from a friend to complete the amount he had needed to buy a motorbike and which was not to be refunded. He later paid fees of Kshs24,000 plus related transport and other costs for the friend to attend college. *'Now when he came to a point of need I also did it. Not looking whether he will give it back or not . . . no*

I don't even think of it. [Laughing] I have remembered it because you have asked me!

- *'He has used a lot of my money, I have also used a lot of his money. That was just giving. I don't expect the money back.'*

It could also involve surprise gifts in the context of longstanding relationships, underlining and re-affirming the value of a friendship:

- A married man who working as a church evangelist explained: *'We met in Karatina after a long time since we were in school together. We talked for a while then I told him I needed twenty thousand and he said he would send. He took me to a hotel and we took tea then we parted ways. After a while he sent the money. . . . When I asked him, after how long was I to repay the money he just said "No, I just gave you that money."'* He used the funds to buy a TV and radio.

While there is an expectation that support will be given and received from siblings — and for both men and women this mainly meant their brothers — it was also evident that this was not a relationship that was taken for granted:

- *'He came here to my place and heard me telling my child, who was to go to school "The money that I have cannot be enough for you." Then he told me that he would go and sell his cow and add me the money so that my child can go to school. Just as a joke like that, he went, sold it and brought me the money. It was very shocking to me, ten thousand you are given for free?'*

The receipt of support from a brother led to him being described as a friend, while the discourse on support from friends led to the comparison with a brother in that a friend could be someone with whom you 'share more than even a brother'. This indicates that siblings cannot always be relied on for support but when they do give it, they demonstrate their position as a friend. In a similar way, friends who consolidate a friendship by offering financial support can become a 'real friend' through demonstrating this value materially.

The affective aspect of material support was expressed even more overtly by women who described being happy at 'being remembered' or the way a gift received via money transfer meant feeling 'that I am loved.' They explained the intimacy of assisting or being assisted with a financial problem through the language of adoption: a neighbour who assisted with a soft loan to help a daughter to go for police recruitment 'took the daughter as hers'; a woman who wanted to visit a child in school was assisted because 'it was like us having the problem.'

The risks of friendship

But developing such relationships is not easy or straight forward, it involves taking risks in trusting others and the possibility of being disappointed:

- A respondent who had lent a friend funds, and for which a return date had been agreed, was disappointed when the agreement was not kept: *'If it is requesting without paying back, it's ok because you will forget but if it's lending, it might not work as it can kill our relationship . . . It's like a promise that is not fulfilled. Even the heart to give help dies.'*

Alternatively, initial disappointment might involve an adaptation of the relationship to the obligation that has been generated:

- A respondent had guaranteed a friend's loan from Equity. The friend's charcoal store had been broken into, the charcoal stolen, and since he could not repay the loan, he ran away. The respondent and his friends paid the money and then went looking for him. To date, they have not asked him for the money but he sells them charcoal at a discount: *'We don't see any wrong because he sells us charcoal and we are happy that he is coming up. He brought a whole lorry of charcoal. I thought that he would pay us during the time tea farmers were paid bonus but he hasn't. Anyway, we have not asked him and we saw that . . . it is better if . . . you know, when a problem comes is when you go and tell him "I have a problem now."*

Strategically seeking support

It was evident that developing friendships within which financial resources are exchanged can be a very deliberate strategy. The case of one young man illustrates this well:

- A carpenter in his 30s explained how he had borrowed Kshs5,000 from both his mother and his sister (who verbally abused him in the process), to lend to a friend who needed Kshs10,000 to rent land in Narok. He explained that he had done this because he himself had had to go to a moneylender to borrow Kshs10,000 when he urgently needed it to buy a piece of land and had had to pay Kshs2,000 for this money. He hoped, therefore, that this friend would also assist him when he is in need.

This instrumental approach to developing the friendship was more evident among young men and would seem to underline the difficulty they have at this stage in their lives in accessing either formal institutions or informal groups as sources of support.

However, the motive of receiving support was clearly not instrumental in most cases and it appears that the affective dimension of the

relationship remains morally more important. Indeed the motivation of reciprocal support was overtly rejected in some instances: *'You don't help because you've been helped and you don't ask for help because you helped . . . I am happy I just asked them and they gave me.'*

Domains of relationships and support

There are particular domains in which relationships and support for particular purposes come together:

Business: Business people in particular (mostly men) appeared to develop lending relationships with their siblings, cousins and friends who were also in business. For some, these transactions are so frequent that they do not even arrange when the money will be returned, trusting that the person will pay when the other gets paid, usually in the space of days or weeks. Where it is understood that funds are being used for business, and that someone has this source of income, then they are more easily given.

Multi-dimensional types of support in neighbourly relationships among women: Food, essential household items and small amounts of money were frequently exchanged with neighbours and in-laws as a result of patrilocal residence patterns. This occurred both where there was a lack of food security, particularly in Kitui, but also in more food secure situations.

Education: Support is frequently received from siblings or cousins for children's education. This ranged from one-off gifts to ongoing support. The latter was especially the case where children had been orphaned. The reasons given for providing school fees and related assistance encompassed first need, i.e. there is no need if the parents can afford it; second, the potential of the child; and, third, the potential for the child to support the giver or others in the future. This is notable in that often when a family with younger children is not burdened by school fees, the norm is for them to invest in the education of other children who need the funds at that time rather than to save for their own child's future fees. Considering this from an economic point of view, the potential returns are likely to be much greater than saving in a bank account — especially if that child secures a good job and is able to reciprocate with support or connections in the future.

Health and other shocks: There was no clear pattern of support here; indeed there were cases where immediate family did not respond to the need for assistance with medical expenses and cases where more distant friends did. The rationale for assisting can recognise an understanding of

idiosyncratic shocks: *'You know problems are for everyone, today it's you, tomorrow it's me.'* While support may be offered, even among family, the pressing nature of the situation can lead to a lack of clarity over the nature of the support or, if it is clearly borrowing, then the return date is recognised as needing to respond to the circumstances of the borrower and their ability to overcome the problem. Responding to needs created by shocks is also an opportunity to confirm the strength of a relationship.

Food and hunger: Multi-dimensional exchanges between women often involved small amounts of food during the hungry season. When neighbours in Kitui requested food to feed young children, some would be given, even by someone who had only 1kg of maize. Where hunger led to requests for money from more distant relatives, with an offer to repay, there were instances where this repayment was strongly rejected. This again underlined how such support from relatives could not be taken for granted but was particularly appreciated when the relationship was confirmed in this way.

THE NATURE OF SUPPORT: BORROWING, GIFTS AND CHARITY

There is a spectrum of exchange which extends from borrowing (predominantly without interest) to gifts which frequently have reciprocal dimensions, to charitable giving (which does not).

Repayment is 'arranged' but is often conditional on circumstances: Clarity of the 'arrangement' that is made to return funds is very important although circumstances can arise (as in the case of the charcoal seller, above) when it is not possible to discuss it. If misunderstanding results, this can damage the relationship. Borrowing by someone who has some power over the lender can also mean that the agreement is not clear. Repayment may not be tied to a specific date but may instead be at a future time when the borrower is able to pay or the lender needs the funds and asks for their return. But as indicated above, the non-fulfilment of an agreed date also produces disappointment.

'Appreciation' rather than interest: Funds are rarely lent at interest between friends or relatives, especially when they are for education, health or other shocks. But where they are used for business or a productive purpose the borrower may return them with *'something on top'*, which is literally explained as an appreciation or *'giving back thanks'*; however, this is not necessarily small in relation to the amount lent and can depend on the scale of the gain and the gratitude of the borrower. In appreciation of pigeon pea seedlings which had produced a very good harvest, one woman returned a kanga and lesa along with

the funds to turn them into a dress, these goods being worth about twice the value of the seedlings.

Expectations of reciprocity: The strategy of developing friendships as a means of securing access to resources was evident in the case of the carpenter, above. But this deliberate motivation does not extend to all spheres in the same way. The expectation of reciprocity was expressed in relation to assisting nephews, nieces or other children with school fees because they will ‘help us or somebody else’ in the future. But this is not so clearly defined or specific as it depends on how the child succeeds in education and then in developing their livelihood. Nevertheless, respondents who had helped with school fees in the past were now able to appeal to those they had helped for support with their own children’s education, saying ‘now is the time to . . . get the benefit.’ Such a reciprocal dimension of assisting was even used to justify support given in very close relationships of children and parents – again frequently in relation to the past investment in education that had been made for them. So, while this reciprocal dynamic is understood, it can operate with little specificity and on the timescale of generations.

Diffuse reciprocity: there is a wider domain of gift support which also operates with respect to fundraising (harambees) for education (often tertiary) and health or other related problems. Contributing to these precipitates expectation that when others are doing the same they will ‘bring their card’.

Charitable giving: the moral dimension of obligation to give to those in difficult circumstances is strong and can even extend to circumstances where the giver does not even have enough for themselves. In this, there was frequent reference to faith in God which was seen as leading to giving without counting the cost and being thankful for what is received. Being able to give at harambees and similar charitable events, or indeed being called to organise them, is a mark of status and can in turn create obligations to help those who have helped you to achieve this.

Formal financial services: the importance of ‘upliftment’

Those who had received multiple loans from banks spoke in quite dramatic terms. One man explains:

- *‘The bank has brought me a long way. It is even more than the way brothers could have helped me. The bank has brought me from far till now. It is the bank that helped me move to this place [a house he had recently built] where I am now. No one would have done the same.’*

So, in a similar way to the above discussion of the way in which brothers become real friends when they actually provide support, the bank’s loans catapulted it to the heart of the respondent’s social network. One businesswoman presented bank lending in an intimate and emotive metaphor:

- *‘It is my mother! ... They help me. You know somebody’s mother ... if you breastfeed that is your mother. . . . So, even if I am oppressed, in interest, it helps me because I know there is no other place where somebody can give me that money.’*

This support is highly valued for the development or ‘upliftment’ (Swahili: inua) that these resources enable in the respondent’s life – even where there is seen to be a dimension of ‘oppression’ due to the terms of that lending. Savings groups and merry-go-rounds were also often perceived as uplifting their members and so were placed at the heart of the social network. This was particularly the case when they delivered money reliably and repeatedly and were seen to be able to help with ‘something serious.’ Therefore it is the demonstrated reliability and frequency of the bank or group’s support to the ongoing improvement of people’s lives that make them particularly valued.

Implications for financial service providers

Financial service providers that can demonstrate their ability to operate with characteristics of friendship, mutual support and upliftment are likely to have greater appeal to and loyalty from their clients: This evidence shows how material support is a central feature in the development of close relationships with both friends as well as family members. The importance of material support translates to the case where financial institutions provide similarly reliable support which enables people to develop themselves – these relationships too become valued and seen as intimate. This underlines the need for financial institutions to be able to create relationships that are seen to provide a mutual exchange of support. Savings and Credit Cooperatives (SACCOs) and informal groups are financial institutions which have generally provided a clearer dimension of reciprocal support than the banks – and this has gone beyond the ability to borrow, to engage more with social interaction. So SACCOs based around a common bond may also enable social mobilisation in the event of funerals, for example, as members are known to them.

Mutual support means finding ways to enable access to loans: Without access to borrowing, savings in financial institutions are a one-way

exchange that does not resonate with the nature of friendship and mutually supportive and reciprocal relationships.

Loan product design that responds to the circumstances of the borrowing: The way in which productive investments produce a return and result in 'something on top' resonates more closely with dividends on equity investments in which risk is taken and with the Islamic finance concept of profit sharing. Products designed which incorporate a return resulting from risk taking may better embrace the local understanding.

Emergency loan products that respond to shocks may be designed to allow more flexible repayment schedules which respond to the borrower's ability to repay.

The importance of good advice: Trustworthy advice about many aspects of life is important to people. Business and livelihood development advice may be a dimension of service delivery that can be developed. Indeed, it is interesting that high-end financial service delivery frequently operates on the model of relationship banking which involves a wide range of advisory dimensions.

Chapter 1

INTRODUCTION

This study set out to investigate the nature of and reasons for interpersonal financial transactions. This question arose from the Financial Landscapes research project (Johnson, Brown, & Fouillet, 2012), funded by FSD Kenya, which highlighted the fact that Mobile Money Transfer (MMT) was being used in low-income and rural communities to transfer funds through their social networks, and which went beyond the 'send money home' entry point of M-Pesa. This suggested that MMT was the tip of an iceberg: that it was capturing and making visible a nexus of informal financial interpersonal transfers that were far more varied and complex than domestic remittances – incorporating gifts and 'assistance' for a range of purposes as well as transfers for school fees, medical expenses, investments, businesses, and loans.

While it is well known that interpersonal transactions constitute major informal financial sector activity in many developing countries, there is a significant gap in the recent literature about these and their implications for current financial inclusion policy. The role of informal saving and borrowing among friends and family was recognised in early literature on the informal financial sector (Callier, 1990; Germidis, Kessler, & Meghir, 1991) and these have been analysed for the relationship between their insurance and reciprocity dynamics (Jean-Philippe Platteau, 1997; Jean-Philippe Platteau & Abraham, 1987; Udry, 1993). The most extensive literature on these has been anthropological and constituted a debate over the nature of gifts and reciprocity, as well as the dynamics of saving and money exchange (Guyer, 1995; Parry & Bloch, 1989). The most notable recent contribution which considers more overtly the relationship to formal financial sector activity is Parker Shipton's study of Western Kenya which, although recently published (Shipton, 2007, 2009), is based on field work undertaken more than twenty years ago. Therefore investigating this phenomenon in the light of its implications for financial inclusion is pertinent and timely.

The policy discourse has treated the rapid uptake of MMT in Kenya as evidence of the prospects for rapid financial inclusion. While some studies have been upbeat about the use of MMT as a savings mechanism (by using a definition of savings as funds left in the phone for 24 hours) (Jack & Suri, 2010); others have given detailed evidence of its predominant use as a payments service where funds are moved and cashed out quickly (Stuart & Cohen, 2011). Jack and Suri (2011) also demonstrate the welfare impact of access to MMT for consumption smoothing in the face of shocks and hence the importance of such transfers. This finding suggests that there is a clear welfare case for person-to-person payment services and also suggests the need to understand this phenomenon in greater depth.

The Financial Landscapes study deepened this perspective by highlighting the diverse ways in which MMT is being used to transfer funds through social networks for a range of purposes and in the context of varied social dynamics. In this way, the Financial Landscapes study problematised the view that MMT presents a clear route to financial inclusion in more formal savings and credit

services. Rather it suggests that there is a range of ways in which such transfers create relationships of 'entrustment and obligation' (Shipton, 2007) so that giving or lending resources to others creates relationships within which claims can also be made. Hence by providing an efficient and effective payment service, MMT has then made the informal sector a much more efficient competitor to the formal sector by facilitating such transfers.

This research is highly relevant to emerging research debates and findings in Kenya, and elsewhere in Africa, on savings mobilisation through formal savings accounts, where low take-up rates provoke questions about how these services relate to poor people's money management practices and priorities. The low take-up of formal savings accounts is demonstrated in three experimental studies in Kenya: in one, a random sample of traders and microenterprise owners were given access to a free voluntary savings account in a semi-formal institution. Take-up and use of the accounts was poor, with 13% not even opening the account and 42% undertaking only one transaction in six months. The use by the remaining 45% was highly skewed with some 35% having used the account up to five times (Dupas & Robinson, 2013a). Hence, while they report significant levels of impact, this impact is among a small proportion of the sample. A second study that offered free savings accounts had an active use rate of 18% (Dupas, Green, Keats, & Robinson, 2012), while a third had a take-up rate for free account opening in a formal bank of 27% (Schaner, 2011). Such low take-up rates may be explained by the ongoing transaction costs of account use despite the free opening, but also suggests that other factors may be constraining use.

Experiments with commitment savings are being found to have greater impacts than voluntary savings. A study in Kenya involving fertilizer suggests that a commitment savings product increases use rates (Duflo, Kremer, & Robinson, 2009) and a further experiment in Malawi demonstrated much stronger effects for a commitment savings product than a voluntary savings product (though with much higher baseline use of formal accounts), concluding that there is suggestive evidence that this was because it enabled people to shield savings from others in their social networks (Brune, Gine, Goldberg, & Yang, 2011). An experimental study in Kenya, which sought to promote savings for health expenditure, found that access to a safe box enabled savings and that this could be explained by a mental accounting effect because the money was 'out of sight'. This enabled the deflection of requests for funds from others (Dupas & Robinson, 2013b).

However in view of these findings, it would seem important not to jump to the conclusion that the primary problem is a shortage of savings opportunities that allow people to remove funds from claims made on them by others, or that 'nudges' to save at the right moment can consistently tip the balance. This may indeed be part of the issue for some, but if seen in relational terms, the issue may be how to offer services that fit into the logic of social networks and interactive claims in more meaningful ways.

This research is the first part of a study which sets out to examine the scale, scope, nature, social dynamics and meaning of transfers within social networks. The study uses qualitative research methods within an inductive and interpretive research methodology to examine their nature, social dynamics and meaning. It seeks to better understand these transactions in their own terms and to give insights into appropriate analytical approaches for use in the subsequent quantitative study. The second study will use data from the Financial Diaries project being collected by Bankable Frontier Associate (BFA) on behalf of FSD Kenya to examine the scale and scope of these transfers and their impact on welfare outcomes.

The research did not consider financial transactions exclusively, but recognised that these were likely to be part of a range of types of transfer and support that were given and received within social networks and relationships. This study therefore sought to address the following main question:

- What is the type, nature, context and meaning of support low-income people give and receive through their social networks?

Additional research questions were:

- What is the role of MMT in making transfers within social networks and how has it changed these relationships?
- How are financial services used and perceived in relation to these transfers?

The report proceeds as follows: the next section provides some background to this aspect of the informal sector in Kenya and a brief overview of some anthropological perspectives on these transactions. This gives a broad framework for the analysis which the report structure follows. The methodology is then reported. Empirical findings give, first, an overview of the relationships, types and nature of support given, and second, examines the relationships involved, followed by consideration of the nature and reasoning for support. These are brought together in a discussion of the particular patterns of transactions which are evident. The final sections then discuss the impact of MMT on relationships and the perceptions people had of the institutionalised formal and informal financial services that they used.

Chapter 2

INTERPERSONAL INFORMAL FINANCIAL TRANSACTIONS: PROBLEMS OF DEFINITION

2.1 SURVEY EVIDENCE

FinAccess 2006 and 2009 give a picture of participation in savings and loans with friends and family, with some 18% of respondents reporting this overall. The proportion who reported taking loans was roughly double the proportion who reported saving. For 2006, the figures indicate a level of current use of this 'service' similar to that of the banks. In FinAccess 2009, a further 13% reported that they had 'ever used' friends or family to borrow funds, compared to a further 7% reporting that they had 'ever used' a bank account — suggesting higher levels of lifetime use.

By contrast, the Financial Landscapes research found that the proportion who reported saving and taking loans from friends and family was much lower — at 3% and 5% respectively — giving an overall proportion of 8% using this service. However, in the qualitative interviews, the picture emerged rather differently with approximately a third of respondents spontaneously mentioning having borrowed in this way at some point. This suggests that reporting from FinAccess (and similar questions were used in the Financial Landscapes survey) considerably understates the practice. This is for two reasons — first, as that report explains, the understanding of 'saving' tends to refer to a situation where funds are put away beyond what is needed; and second, because it asks about a 'loan from family or friends'. In popular understanding a loan refers to cases where interest is charged rather than the more general phenomenon of 'borrowing' which occurs without interest. These data are therefore likely to considerably underestimate the extent of informal interpersonal transactions, especially borrowing.

2.2 GIFTS, DEBTS AND RECIPROCITY

The question of what constitutes borrowing and lending becomes even more complex when we turn to the insights offered by anthropologists. One of the defining debates in economic anthropology has been the question of what constitutes a gift. This debate originated in the 1920s when an essay by French anthropologist Marcel Mauss (1954) pointed out that gifts in primitive societies were not 'pure' but formed part of a system in which such gifts may later be returned as part of systems of 'total prestation' (gifting) in the circulation of symbolic offerings in traditional societies, which also occurred between social groups as well as between individuals. This precipitated an interpretation of these apparent gifts as systems of reciprocity in which gifts at one point in time result in some form of return or counter-gift — which might also occur

in a completely different form — at another. In this case it then becomes hard to define the boundaries between a pure gift and the expectation of a return and thereby the boundary between a gift and a debt. This raises questions as to the underlying logic of giving which can then be interpreted as being self-interested rather than purely altruistic. More broadly, Mauss highlighted three forms of obligation: to give, to receive, and to reciprocate.

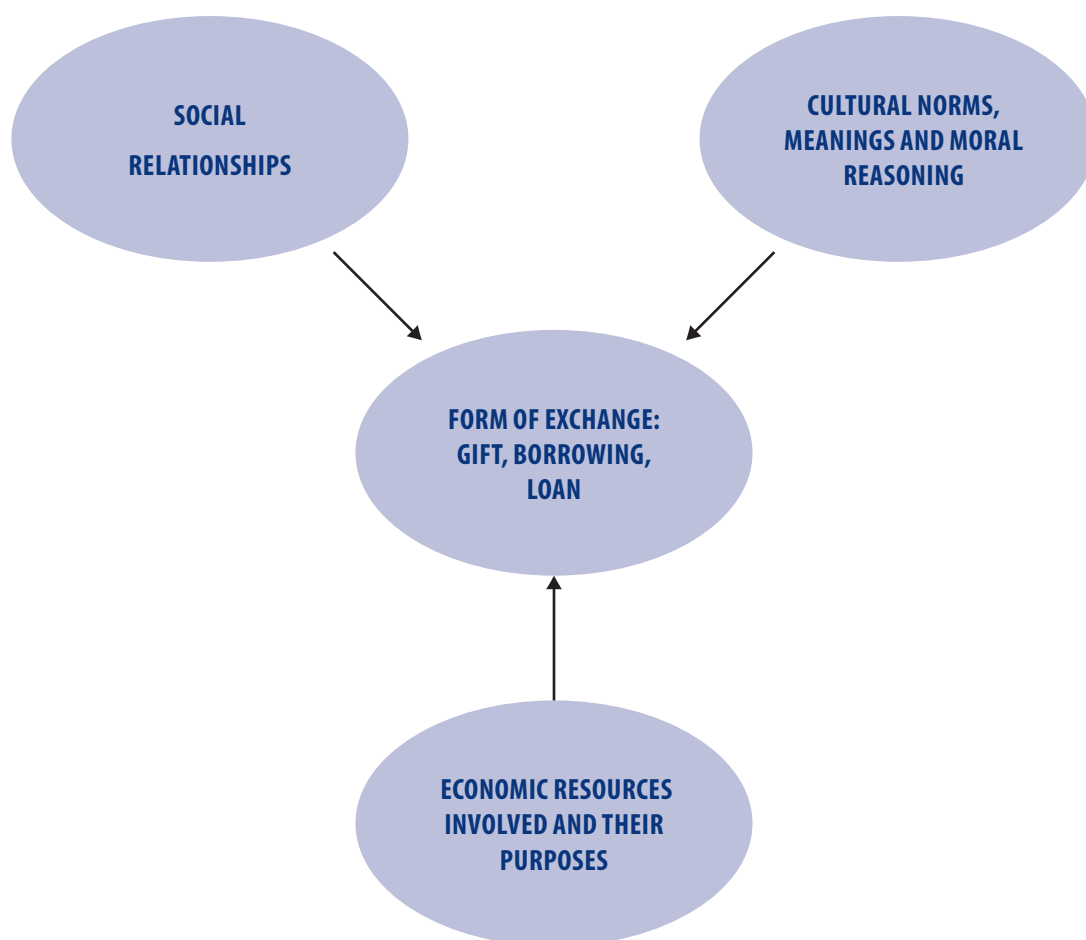
Marshall Sahlins (1974) equated the nature of the gift with the social distance of the giver from the receiver, placing them on a spectrum: exchanges with close kin constituted a 'generalised reciprocity' in which there is very open-ended sharing and lending with no accounting; with those further away, a more 'balanced' reciprocity which involves a more strict equivalence and prompt return; and 'negative' reciprocity, which involves trying to get something for nothing from strangers. Shipton suggests a similar spectrum could be implied for loan terms, with soft terms being established with those closest and the hardest terms with those farthest away. This spectrum has been much contested and empirical evidence has shown much more complex and diverse forms of gifts and exchange at different social distances. The contribution is useful in capturing what might be commonly held assumptions and exposing them to greater enquiry.

In the case of Western Kenya, Shipton (2007) argues that the range and scope of exchanges is so extensive and complex as to brook any real attempt to delineate. He points out that these are not just temporal but intergenerational — linking the living, the dead and the unborn; that valuation is subject to constantly shifting dynamics; and that what might be understood as a gift or a loan can also mutate over time. Instead he conceptualises all of these exchanges as part of a fiduciary culture in which there is entrustment¹ and obligation which create the social circuitry that is the lifeblood of a society. The terms and conditions of these exchanges depend on identity and intimacy — but these relationships both determine the tie and the tie helps define the relationship.

This very brief overview demonstrates that there are three key analytical dimensions: the economic resources that are in use; the social relationships within which they operate; and the cultural norms, meanings and moral reasoning which they involve. Combined these create the nature of the transaction and I use these three dimensions as a basic framework within which to carry out this analysis.

¹ Entrustment embodies the act of trusting rather than simply the thought of trust.

Figure 1: Dimensions of exchanges



Chapter 3

METHODOLOGY

The research method used was an in-depth semi-structured interview. As the anthropological literature cited above suggests, the range of material that is relevant here is potentially vast, extending from dependence on family members for daily survival to occasional interactions with strangers; from highly cultural and symbolic interactions and meanings to more commercial and instrumental ones; from money to ritual exchange. In designing the approach we were faced with choices of what to focus on. We wanted to capture the different types of giving/lending² and receiving/borrowing but not to bias our discussion too much towards borrowing; to consider the financial and the non-financial and to understand the importance of these, in a meaningful sense and in the context of a variety of relationships.

Therefore we focussed on asking respondents about the support that they had found 'significant or important' to them in the last year, although some spontaneously responded with older examples. In order to get a sense of how this might contrast with transactions which might seem less notable because of their frequency, we also asked about frequent exchanges, which we described as the more day-to-day and potentially small-scale interactions. This was intended to give a sense of the range of exchanges that were operating.

In order to open up the discussion and to explore the scope of relationships that people were involved in, we started the interviews by asking respondents to give an overview of their social network in a social network mapping exercise. This was also useful because it often spontaneously produced discussion of how people helped or supported them when asked why a person was put in a particular circle.

The interview had three components:

- Social network map: This asked respondents to place the people in their social network in three circles, moving out from themselves in the middle to those closest to them; then to those who are close but not so close; and finally, to those further away [see Figure 2].
- Transaction genealogies:
 - Significant/important support: Respondents were then asked to talk about the most significant or important support they had given and received from others over the previous year (or longer if they wished). This was then probed for the relationships involved and the history of interaction and support exchanged with that person. If this was with people who they had not previously mentioned, these were added to the network map. In this context, significant and important did not necessarily mean the scale of support, but in the way it was reported it was the most meaningful to them. As will be seen, this sometimes converged with the size of the support and sometimes did not.
 - Frequent support: This was followed by a discussion of the most frequent support given and received, with a similar set of questions probing the nature of the relationship and the support exchanged.
- Financial services: The interview asked respondents about the role MMT played for them, the extent of their use of it, and whether they thought it had changed their relationships. It then asked about the other financial services they used and they were asked to locate the institutions on the network map as a means of understanding their perceptions of their relationships.

We used the Swahili term *usaidizi* to open up the conversation. This means 'help' or 'support' and is the term used to refer to assistance received from others in the broadest way. The nature of this assistance was then probed.

A total of 62 interviews were undertaken, transcribed and coded. The present respondents were purposefully chosen from the respondents to the in-depth qualitative component of the Financial Landscapes research project conducted two years earlier. For the current study we selected those who were the more cooperative in the first. This constitutes a selection bias of sorts since these may also be people who are generally more sociable and hence more likely to undertake transactions of this kind. While we had mobile phone numbers for many of them, there was still some significant movement and failure to be able to contact via the phone. We pursued the same strategy as in the Financial Landscapes survey of seeking to interview both the husband and wife where these were available in the household; in eight cases we were only able to interview one of them. We also sought out some unmarried young men (one of whom had recently married) and some female-headed households.

Interviews were recorded, transcribed, and entered into NVIVO, and coding and analysis was undertaken using an inductive and interpretive approach. The network maps were recreated in a Word document as a series of circles with people placed in them, and were also entered into NVIVO. These were used to help code the transcripts for the relationships referred to in the interviews. In addition, when discussing the social network map, respondents had frequently explained their relationships in terms of the kinds of support they exchanged with a person, and so this gave additional data on interpersonal exchanges. Initial coding involved identifying types of transactions (gift/borrowing); the nature of the transaction (labour, goods, food, finance, credit, advice, etc.); relationships (children, parents, siblings, cousins, friends, neighbours, etc.) and reasons given (need, relationship, past/future reciprocation, confidence of repayment, etc.). This was linked to data from the earlier research, which covered poverty levels, and allowed reference back to earlier reports of service usage.

² Indeed, linguistically, in Kikamba, the term for 'give me' applies to both give and lend, see (Krijtenburg, 2013).

Table 2: Respondents by location, gender and household type

	Men	Women	Total	Hhs: both husband and wife interviewed	HHs: either husband or wife interviewed	Unmarried young men	Female-headed households
Mathira	11	10	21	7	3	2	2
Nyamira	11	11	22	10	0	1	1
Kitui	10	9	19	5	6	1	2
Total	32	30	62	22	9	4	5

Questions which guided the analysis were:

- What patterns of transfers are in evidence in cash, kind, and using MMT?
- What are the relationships within which these transfers are being carried out – i.e. how have these developed over time?
- How do patterns of transfer differ according to the relationships involved? (e.g. cash/kind; the range from borrowing to gifts and their reciprocation).
- How and in what contexts and ways do people explain and interpret these transfers?
- In what ways has the availability of MMT affected the frequency, volume, and nature of these transfers (whether cash or kind)?
- What impact do these changes have and how have they affected respondents' relationships?
- In what ways do respondents report using these transfers in relation to financial services?

The range of transactions captured in terms of types, relationships, nature, and purpose suggests that the questions were in fact understood quite open-endedly. While the focus on significant or important transactions may have been expected to put more quotidian exchanges in the shade, there were a number of instances where such examples were given as significant: such as giving food to a grandmother; taking over her care; or daily financial interactions relating to business dealings. However, the reporting of more frequent transactions was overall lower. For men in particular, the reporting of these was much lower than for women, and many of the transactions they reported as significant or important seem also to have been reasonably frequent ones. Since we had no clear definition of frequency, and hence whether what was reported as significant or important was also frequent, we only note this.

A further point is that in asking about how MMT had changed relationships we did not directly ask about instances of requests being declined³, either ones dependent on MMT or more those in cash or kind. However, the discussion of the impact of MMT was sufficiently focussed to consider that this would have been allowed to come out if it had been a key issue for respondents.

Figure 2: Social network maps



³ This would be an interesting issue to pursue in further research

Chapter 4

4. OVERVIEW

4.1 SOCIAL NETWORKS

We first give an overview of the results of the social network maps in terms of the relationships enumerated in Table 3. This gives a mean average of 15 connections being spontaneously enumerated across the three circles, with Circle 1 representing the closest relationships. The results are ranked by social distance for kin and then by frequency of transaction for other relationships.

Table 3: Social network map – number of relationships by circle number and gender

	Men			Women			Totals		
	Circle 1	Circle 2	Circle 3	Circle 1	Circle 2	Circle 3	Circle 1	Circle 2	Circle 3
Spouse	16	0	0	29	0	1	45	0	1
Child	12	0	1	24	4	1	36	4	2
Parent	27	5	0	25	7	3	52	12	3
Sibling	54	17	2	29	28	9	83	45	11
Cousin	9	12	12	8	9	10	17	21	22
In-law	2	2	3	31	15	13	33	17	16
Other family	22	17	7	6	17	9	28	34	16
Friend	47	43	46	11	23	35	58	66	81
Neighbour	18	25	12	10	24	23	28	49	35
God	3	0	0	4	0	0	7	0	0
Church	4	3	3	2	4	2	6	7	5
Work	5	13	8	1	3	6	6	16	14
Other	3	2	6	0	4	4	3	6	10
Group member	2	2	2	0	1	4	2	3	6
Totals	224	141	102	180	139	120	404	280	222

We first note some patterns in these maps:

- Spouses: Almost all were put in Circle 1 but more men than women did not put them on the map at all. For one woman this was because she saw them as so much together that he was not separate from her.
- Children: The total number of relationships with children reported is relatively low. Respondents with small children were less likely to report them as part of their social network, while those with adult children consistently did so. It also appeared that women put them on the map more than men.
- Parents are mainly in Circle 1 but not entirely.
- Siblings were the most mentioned in Circle 1 and reduced as the circle numbers increase. Men put more of these in Circle 1 than women did.
- In-laws were predominantly mentioned by women rather than men – and in the main these were mothers- and fathers-in-law as a result of the patrilocal residence patterns. Sometimes brothers- and sisters-in-law and cousins by marriage were mentioned by men.
- Cousins were also frequently mentioned with a fairly even distribution across the circles.
- Friends: A quarter of all friends mentioned were in Circle 1 which underlines that people did not only put their closest family members in this circle. For men, friends were fairly evenly distributed across the circles, while for women, they increased across circle numbers.
- Neighbours, interestingly, are reasonably well spread across the circles.
- Other family: This in particular included aunts and uncles, nephews and

nieces, and siblings' in-laws. These are more important for men than women — again this is likely due to patrilocal residence which means women have less interaction with natal other family than men.

- A small number of people put God in the first circle. This affected the way they reported their giving and receiving of support. For them it was seen as related to faith and/or prayer, in terms of receiving support for which they were thankful. On the other hand, in terms of giving, it was felt that this should not be considered but simply put the hand in the pocket and see what is there: *'You know when you are blessed with something, don't count the giving count the receiving.'* (905/1).
- Church: Some indicated their relationship with the church, sometimes putting a pastor on the map or others whom they knew through the church such as members of church groups (dance, choir, welfare, etc.) or people they identified as fellow church members (as opposed to identifying them clearly as a friend).
- Work connections are more frequent for men than women.
- 'Other': includes MP, Chairman of local institutions, previous employer, boyfriend, employees, groups such as women's groups and clan or welfare groups.
- Group members: people who were mentioned as being known through the group of which they were part

Across the three locations there were some differences of pattern. Spouses were mentioned less frequently in Kitui, although this does not seem to be related to a higher number of single-person households. Fewer children were also mentioned in Kitui, though this may have been because households there had more younger children. Parents and siblings were heavily mentioned across all locations. Cousins were mentioned more in Kitui than elsewhere, while in-laws were most heavily mentioned in Nyamira; other family members were mentioned most in Kitui. The highest number of mentions of friends was in Mathira and the lowest in Kitui, while neighbour mentions were highest in Kitui though not very much so. These patterns suggest a picture in which social networks with friends are strongest in Mathira and weakest in Kitui, while neighbours appear particularly important in Kitui. In Kitui other family are particularly strong suggesting the importance of extended family in a difficult environment and in Nyamira in-laws are particularly strong. The numbers for other types of connections are too low to suggest particular trends, though church networks appeared much stronger in Mathira than Kitui.

We start by giving an overview of the patterns in the type and nature of support given and received, and then examine the relationships within which this is operating. This is discussed first for the support that was reported as *significant or important* and then for the support described as *frequent*.

4.2 SUPPORT GIVEN AND RECEIVED

4.2.1 Types of support

This section has used frequency of mentions in the coding to give an overview of the most frequent types of support. We do not, however, report the figures here as the coding frequencies are indicative, in terms of orders of magnitude and rankings, rather than precise, as coding can report in multiple mentions.

Among the transactions reported to us as *significant or important*, support that had either been given or received, financial transactions were the most mentioned by an order of magnitude of approximately four times as many as advice which was the next most frequently reported. Advice was slightly more common than — but clustered together with — mentions of goods, food and labour. This was then followed by a range of other types of support including:

- transport and accompaniment — often of a sick person or, for example, marriage negotiations;
- accommodation — having provided this when someone was in particular need;
- visiting — usually of sick people;
- employment or business — assistance to find a job or develop a business;
- care — often of old or sick people;
- influence — meaning assisting in for example recommendations for a job.

Despite the predominance of financial support, the diversity of types mentioned underlines that the term 'support' was understood in a broad way. When these are disaggregated by gender we find that while financial support is by far the most frequent type reported for both men and women, the ranking of subsequent categories differs: for women, the second and third most frequently mentioned — with similar frequencies — are food and advice; for men, the second and third, again of a similar order, are labour and goods.

Among reported instances of *frequent* support, financial support was again mentioned most often, but by less of a margin than for *significant* support. The second most mentioned was food and then labour, advice and goods. Other forms included transport or accompaniment, visiting, accommodation, care, and so on.

Overall, women tended to report more instances of frequent support than men did, with the profile as above: financial, followed by food, labour and goods clustering together. Interestingly, for men, the overall number of mentions of financial support was lower than among women, although it was the most prevalent form, and food came a close second to financial support whether given or received. This was somewhat surprising but may be because men

often discussed frequent exchanges within their discussion of *significant* exchanges and hence these were not mentioned again in the *frequent* section of the interview.

4.2.2 Nature of transactions

About a quarter of these significant instances of support are clearly identified as borrowing while the remainder are identified as ones in which a direct return of the money or resource was not expected; we will return to this distinction in more depth below. What people are clear about is when something was supposed to be returned.⁴ For frequent instances of support, the pattern is similar to that for *significant*–*important* support, with approximately a quarter being identified as borrowing.

4.2.3 Relationships in transactions

Examining the relationships within which these significant and important instances of support have occurred produces some interesting patterns:

Overall the most instances of significant support are from friends followed by siblings and neighbours. This pattern is, however, different for men and women. For men, this is the main pattern with friends somewhat higher than siblings; however for women, the order was siblings, friends and neighbours with little difference in the mentions between them.

Interestingly, no men reported that support received from their spouse was significant or important while there was a small number (6) of instances where women reported that support received from their husband was significant or important.

A key point then is that while people placed their immediate family at the centre of their social network, when it came to reporting instances of significant support, it was the more distant categories that were mainly discussed. This suggests that support received from immediate family may be more often taken for granted and that support from those further away socially becomes more significant because it cannot be taken for granted.

If relationships are clustered into broader categories in order to examine whether this pattern remains, we can put together:

- immediate family – spouse, parents and children;
- extended family – siblings, cousins, other family and in-laws;
- friends and neighbours.

The categorisation of siblings as extended family rather than immediate family therefore needs justification. The social network map shows them strongly in the first circle, but the argument for placing them in a group with extended family is that the frequency of these relationships across circles places proportionately more of them in lower circles than for spouse, parents and children, demonstrating that the nature of these relationship is in fact much more variable than it is for spouse, parents and children.

Analysed in this way, the instances reported by men from friends and neighbours still exceeded those from extended family; while for women more instances were with extended family than with friends and neighbours. These patterns suggest that the reporting of significant and important transactions is greater among these further-away ties than immediate family ties and also suggests a gendering in that women exchange more with extended family while men operate in wider social networks with greater roles for non-relatives.

If we turn to examining the support undertaken within these relationships we see further patterns:

- Financial support is reported mainly to and from friends, followed by siblings, then in-laws; cousins, parents, and other family clustering together. By the above three categories extended family leads, followed by friends and neighbours, and then immediate family.
- Advice is mainly to and from friends, neighbours and siblings.
- Goods are mainly to/from friends and neighbours.
- Food is mainly with neighbours, in-laws and other family.
- Labour assistance is mainly with friends, in-laws, neighbours and other family.

Among *frequent* transactions, these were reported as mainly between neighbours, followed by friends, then siblings. Using the three categories above, friends and neighbours are a little higher than extended family and followed by immediate family.

If we look at what the nature of the transaction is within relationships then we see a pattern of financial relationships first with friends, then siblings, and then followed by other family members; parents, in-laws, spouses, and neighbours all clustered together. Food support is predominantly with neighbours and in-laws. This is probably heavily influenced by the research site of Kitui where food deficit was a big issue and neighbour exchanges are very important and, for women, in-laws – who are usually also neighbours – figure very strongly. Labour, goods and even the category of ‘other’ also figure strongly with neighbours.

With this overview, the next sections examine each of these areas in turn.

⁴ Interestingly the reporting of transfers given that were seen as non-returnable compared to borrowing had a much higher frequency than in the case of those received. This might suggest that there is some recall bias towards remembering support received that is to be returned and support given that is not to be returned compared to support given that is to be returned and support received that is not.

Chapter 5

RELATIONSHIPS AND SUPPORT

With the prevalence of financial support in both the significant – important and frequent categories, this section concentrates on the analysis of how these operate, and is done by the gender of the respondent. In addition we briefly cover other types of support as appropriate.

5.1 SIGNIFICANT FINANCIAL SUPPORT GIVEN AND RECEIVED BY MEN

I review these instances by relationship and gender of respondent, concentrating on the most common relationships which were friends and siblings. Those given and received are analysed together since the to and from tends to make them a nested phenomenon.

5.1.1 Friends

Slightly more than half the male respondents reported a significant or important instance of financial support given or received from a friend. These were mainly cases of men giving to and receiving from other men. I report some of these in some detail as they enable a deeper understanding of the issues involved. The nature of this support varies between not expecting a specific return and lending/borrowing – we will discuss these differences further below.

Near Karatina, a young man of 27 who is an electrical contractor, recently married and with a new baby, reports that he has paid Kshs24,000, three terms' college fees, for his male friend William, and also provided him with related costs such as for transport. He explained that this is not to be refunded. The background was that when he had wanted to buy a motorbike a few years back and only had Kshs40,000 of the Kshs50,000 needed, he had run into William and told him about it. They went together to see the bike again and William confirmed it was a good buy. *'Therefore he told me ten thousand is not an issue. He told me just wait for a week and I will give you the ten thousand. Therefore he gave me the ten thousand and it was not to be refunded back. Now when he came to a point of need I also did it. Not looking whether he will give it back or not ... No, even I don't think of it. I have remembered it because you have asked me (both laughing).'* [102/3]

In Nyamira a man in his 30s, with a wife and small child, who works in a bar, helps his friend to buy a *'flashing box'* for his mobile phone business, giving him Kshs4000. He explains that *'He has used a lot of my money, I have also used a lot of his money. That was just giving. I don't expect the money back.'* He goes on to explain that a friend who is a secondary-school teacher had sent him some money to buy vegetables for planting and had also given him a place to plant, also explaining that he lacks resources and is not able to help the other person saying *'I even don't know why [he sent it] ... probably because of friendship.'* [621/1]

These cases demonstrate that quite significant sums can be involved within long-term relationships. As another example shows:

A married man who works as an evangelist at a PCEA church in Mathira was given Kshs20,000 by a friend who he was in school with but hadn't seen for a long time. He explains: *'We met in Karatina after a long time since we were in school together. We talked for a while then I told him I needed twenty thousand and he said he would send. He took me to a hotel and we took tea then we parted ways. After a while he sent the money. ... When I asked him, after how long was I to repay the money he just said "No, I just gave you that money".'* He used the funds to buy a TV and radio. [211/1]

However, such pleasant surprises can also be small and are important because they are unexpected: [919/3; 211/1]

As a young single man who is a miraa trader in Kitui town indicated *'Yes, there is one who has ever helped that I can still remember ... There is a time he came here and gave me one thousand as a gift to assist myself in life, not even in business.'* He goes on to explain that *'we used to do like this since the time we were studying together in a far school.'* [919/3]

Another explains the goodness of a friend who lends to him when he no longer had a reliable job:

He left his job as a driver at a local school and built a house on a piece of land he bought from his brothers. *'The time I shifted to this place because I came and I used my money and it got finished. In July, I gave my brother money. I was broke and there was a friend of mine we used to work with. He is a driver, he now works for water supply. I went to his place and talked to him and he assisted me with Ksh 30,000.'* He goes on to explain how difficult it is for people to lend to someone who does not have a job because they cannot see a source of repayment. [309/1]

Indeed, another confirms that friends can be as important as brothers: In an instance where his brother did not have funds to help him when his motorbike had been stolen, he turned to a friend who lent him Kshs10,000 saying: *'You know when you are friends, you can share more than even a brother.'* [620/1]

This discourse suggests the ways in which relatives cannot necessarily be relied upon, but that friendship – whether with relatives or not – is consolidated by the exchange of financial support of this kind, even if this just involves a soft loan. As another respondent explained, a real friend is someone who lends without interest. Talking of an in-law (unspecified), he said: *'He also helped during construction (building), he gave me ten thousand and told me to refund when I get money. You know, if someone gives you money like that one, most people lend to others when they are in need of interest. ... I realised that he is a friend because if someone gives you money without repaying with interest, he is good. He is a real friend.'* [506/1]

As one man put it very clearly: *'You know in this world you cannot survive without friends and not everybody can be your friend and you can't be good to everybody and the one whom you can understand is the one who can be your friend, even if he is in Europe and he is your friend he can help you. You can have brothers but they cannot help you.'* [704/1]

5.1.2 Siblings

Siblings were the next most frequently mentioned in these transactions – for men they were mainly brothers, but not exclusively so.

The above respondent [309/1] also explained that it is easy to give to a brother but not to someone 'outside' the family because you cannot be sure it will be refunded. He had lent his brother Kshs20,000 for an operation for his wife and said that *'If you decline to help him at his time of need then that is not your brother'* and even if a brother does not refund 'he will assist me at some point'.

In a similar vein, a young man with a wife and children running two boda boda taxis explains that he had lent his brother Kshs30,000 to help him build his house – and that they do this frequently – and that he had helped another brother with funds for his daughter when she was going to study abroad:

'Generally, us here, we are used to helping each other. As a family member, if someone who has a problem comes to you, as in "help us because we cannot do this", if we have the ability, we will help because we know tomorrow it will be someone else with a problem. We usually have no problem giving money to our brothers, maybe to an outsider is the one we can have suspicion. Even if these ones do not refund, like this brother who took me to school, even if he decides not to refund because there was a time when he helped when he was taking me to school, he did not say, I will take you to school then afterwards you refund me the money (laughing). So if he decides not to refund me, I have no problem with him because I know where he took me from, ignorance, to a place where I know how life is' (laughing). [506/1]

Nevertheless in discussing a brother he describes him as a friend:

'He has really helped me because not many people can easily help you, getting someone who can give you over five thousand, that is a friend here in the village. Giving out one, two, three till five (laughing), actually that person have helped you.' He explains this in the context that there is a business of selling money in the village which is charged at 20% per month.

On the other hand, there is no expectation that a sibling will necessarily assist when resources are stretched or inadequate. A married man with eight children recounted his surprise when his brother sold his cow to fund his child's education:

'He came here to my place and heard me telling my child, who was to go to school "The money that I have cannot be enough for you." Then he told me that he would go and sell his cow and add me the money so that my child can go to school. Just as a joke like that, he went, sold it and brought me the money. It was very shocking to me, ten thousand you are given for free?' [706/1]

5.1.4 Non-financial significant/ important support given and received

After financial support, labour and goods were the most frequently mentioned types of other support.

In the reporting on labour there were two main types involved – one was house construction or repair and the other was farming or digging. There were cases of helping women (neighbour, grandmother) to fix their houses and cases where men assisted each other with house construction, done among friends or groups of brothers and cousins. Other cases involved helping someone with a particular task for an event or function.

Goods, on the other hand, involved the mention of seeds, manure, and fertiliser; trees, wood or firewood; school items (books, clothes and shoes); and assets such as a bicycle or plough. These were mainly given and received within relationships with friends and neighbours, and a fewer number with siblings and cousins.

5.2 SIGNIFICANT FINANCIAL SUPPORT GIVEN AND RECEIVED BY WOMEN

For women the most common of these were first among siblings, then among in-laws and friends.

5.2.1 Siblings

The range of borrowing to gifts is similarly mixed for women and their siblings. While a number are between sisters, there were more cases recounted where the woman had asked her brother for help than of men asking their sisters for help. This would fit with the general pattern of men tending to have higher incomes than women and so it being more useful to ask them for support.

The largest sum was in the case of a woman in Kitui town who borrowed Kshs150,000 from her brother to assist her and her husband (who had also raised funds from his siblings) to buy another car to operate as a taxi [917/2]. The funds were repaid but only Kshs130,000! She explains that she had also helped him before and did not want to go to the bank and pay interest and *'If he didn't help me who else could have helped me seriously?'*

Similarly, it can be notable when a request to or from a sibling for assistance does not need to be repaid and two women recounted such instances:

In a rural area outside Kitui town, a young married woman with two small children asked her brother for funds, when she had no food at home and could not think of who to go to, to ask for help. He sent her Kshs200. He worked at a car wash in Kitui town and she was intending to repay him but he refused. She explained that they had helped him with produce from their farm the previous year when he had harvested nothing. But she clearly had an expectation of repaying [705/2].

A young single woman gave her sister Kshs2,000 when the sister fell sick: *'At first, she asked me to lend her two thousand but I told her not to pay back because it was not her intention to fall sick and till now she still insists that she wants to refund it so I told her it's okay if that is what she wants.'* [302/1]

Similarly, gifts from siblings are received with some pleasure and small amounts are significant or important because they indicate being remembered. There were instances of a cousin, sister or even a child sending money.

A young married woman with two small children who received a few hundred from her sister via mobile money at Christmas said *'I became happy to know that my sister has remembered me.'* She was also happy when a (male) cousin who had visited but not brought her anything said he would send a present afterwards and sent her Kshs3,000 through MMT. *'You know that not so many people can help you like that financially, so I felt that I am loved.'* [214/2]

5.2.2 In-laws

These are generally more important relationships for women than men as patrilocal residence brings significant interaction between women and their husband's family. Women in particular recounted significant or important instances of giving and receiving support from brothers-and sisters-in-law. These involved helping them with their children's education and development, support to orphans who had been taken in, and assistance to them when a husband had died or was mentally unstable.

On the other hand, a woman also recounts with some disappointment how her sister-in-law required repayment of Kshs500 that had been given to the respondent's daughter to enable her to return to secondary school for the Form 4 exams when she, the mother, was away in Nairobi. The respondent explains:

'I asked her if she told her anything [i.e. whether it should be returned] but she said no. I came back here, but I had no clue how they talked so I continued with my life but last year but one she came and told me that there was money that she gave to my daughter and she wanted it to be refunded. I agreed and went to plough for her. Can such a person help you?' [814/1].

She went on to recount an example of a male cousin on her husband's side who she had assisted in the past, when he was staying in Nairobi and did

not have a job, feeding him and helping him with funds for transport. She, approvingly, explained how this man and his wife now help her daughter with things that she needs for school and they just turn up with them.

One of the instances that occurs in women's discussions of both in-laws and friends is the idea that support is received because the child of that in-law or friend has become their own:

Explaining how she helped a niece whose own mother was unwell and who needed funds to cover airtime that had been 'lost' at her workplace and she was required to pay, she said: *'I chose to help her out because she is like my child.'* [309/2]

A couple helps orphans of his brother with school expenses: *'We prayed with my husband then decided that they are just like our children and we started helping them since we were the only ones who could. ... If they are educated one day they will help us or somebody else.'* [408/2]

5.2.3 Friends

Instances of women giving and receiving money from friends were fewer than for men, however, this language of closeness was also used within a relationship with a friend and neighbour. An older woman with grown-up children describes how over ten years ago, a neighbour and friend paid Kshs20,000 for her daughter's recruitment to the police, explaining how she *'took the daughter as hers.'* She said they would pay her when they had money. They paid Kshs10,000 after one year and a further Kshs10,000 after another year although she explains that there was *'no arrangement.'* She describes the woman as a very good friend [120/2]. In a similar vein, when a friend needed funds to visit her son in school, a woman helped her with Kshs5,000 saying, of the closeness of their relationship, *'It was like us having the problem.'* [211/2]

5.2.3 Other relationships

The way that financial transactions cemented affective relationships was also evident in instances of support with other family members. A cousin borrowed funds to help buy a plot, when she needed to do so quickly, and this was described as bringing them closer together: *'It was positive for me to assist her I think, yeah. It changed our relationship in a way she was able to trust me when she told me what she wanted and I did it.'* [917/2]

The fact that even close family members could not necessarily be relied upon was further underlined in a situation where a respondent's mother needed some medical treatment. The respondent explained that her mother was very happy with her because she had assisted while the other children had not taken the situation seriously. She further explained this within the context of how her mother had helped her in the past when she was struggling financially. [621/1]

On the other hand, a woman who received an airtime top-up of a couple of hundred shillings from her daughter felt this was significant and important as she had spent a lot educating her children who were now grown up but still struggling to find stable jobs.

5.2.4 Non-financial significant/important support given and received

Among women the most common forms of non-financial support were food and advice. The examples of food exchanges were:

- With neighbours, often in ongoing exchanges where women help each other with 'all aspects' [205/1];
- With mothers: from whom maize was received when they didn't have any [611/2] or to whom sacks of maize were given in return for assistance on a hired farm;
- A number of cases where food was given to those in need — either in return for labour or simply because they didn't have enough.

5.3 FREQUENT SUPPORT GIVEN AND RECEIVED BY WOMEN

Just over a half of women (17) reported instances of financial support given or received frequently. These were mainly with other women, and were reasonably evenly spread across friends, siblings, children and neighbours.

Interestingly, a couple of these cases highlight how these relatively small amounts fitted into past relationships in which significant assistance had been given:

A woman explains how her sister sends her money and even when she says she will return it the sister says, no. She explains that when her sister separated from her husband she stayed with her, bringing her small children, and that she helped her to find casual work locally. *'She saw that I was really struggling to help her so because of that, that's why she feels very much concerned and appreciates me, she does not know how she can pay me back for the help I gave at that point.'* [212/2]

Another also explains the varied nature of these exchanges:

She helps a woman who needs help with money or other things when she asks and sometimes when she doesn't: *'Even when I have some money and I feel like giving her even if she has not requested. Maybe when I tell her to give me and I will give back later, something like that but when you haven't told her that you will give it back then no, you do not.'* [214/2]

A neighbour and friend who had helped the respondent with support to send her daughter to police recruitment was now someone with whom small exchanges took place [120/2].

Cases involved multi-dimensional exchanges that sometimes involve money and sometimes goods or other resources.

She visits her neighbour and friend who is sick: *'Even if I don't have a lot of money . . . I go with it and we talk for a long time and I encourage her. I give her support and wish her all the best and give her the one hundred.'* [120/2]

A young woman explained how an elderly woman looked after her child, sometimes paid her for casual labour, and gave her seeds and advice. She explained: *'Not so many people can help you like that . . . she has really helped me, like when you don't have money to buy seeds.'* [214/2]

Other narratives emphasised that helping with small amounts of money fitted into other types of mutual support such as food and advice. Some of these were clearly cases of assistance to those who were less well-off, either in terms of lending or non-returnable; one lent a woman with disabled children funds for school fees from the group monies of which she was treasurer⁵ also explaining that sometimes she gave from her own money and sometimes the woman repays and sometimes she does not [510/2].

The next most frequent type of support discussed by women was food (13 cases). As food is the domain of women more generally, this higher frequency of mentions is understandable. This involved either gifts of farm produce such as maize, potatoes or bananas; small amounts of raw food — flour being given when someone does not have any or when being visited by relatives; and occasionally the purchase of meals or soda. One woman explained her relationship with her neighbour: *'She will give me what I haven't harvested . . . and I would also give [her] what she didn't harvest during that season'* [120/2]. Also provision of food (usually raw or cooked) for the support of orphans, elderly relatives and those being cared for and another [205/1] explaining how food is part of their multi-dimensional exchanges: *'We help each other in all aspects, if I have something she doesn't have I give her and she gives me what I do not have.'* As mentioned above, the role of small food exchanges is often justified through the presence of small children who have to be fed [611/2] and this was particularly notable in Kitui where it was humbling to hear how women shared with their neighbours and in-laws, and vice versa, the couple of kilos of flour they had. Extending this narrative of the need to care for those who are dependent was another context of giving food for the disabled, mentally challenged, elderly or other dependents such as orphans.

Advice was described as being part of multi-dimensional exchanges. One particular type of advice that a couple of women mentioned was about how to stay with their husbands. Interestingly, one young woman explained how she could accept advice from her mother, but not money, saying it is 'not good'

⁵ It was not reported whether this was agreed with the group but the implication from the discussion was that it was not.

[302/1] to do so, though not explaining any further as to why.

Similarly, the exchange of goods often fits into these multidimensional relationships of exchange – whether borrowing, for example, paraffin, salt or soap or giving items to orphans and other dependents.

Labour has some different dimensions: Apart from being a part of multi-dimensional exchanges among friends, neighbours and relatives, it also sometimes involves giving work to others when it is needed. This suggests a situation where someone does not ask for someone to work but, in needing the money and being known to be in need, is offered labour in exchange for money or food, as, for example, where a woman reports paying a disabled man, who comes and chops wood for her, in food or money. [506/2]

5.4 FREQUENT SUPPORT GIVEN AND RECEIVED BY MEN

Men's reporting of frequently given and received support was much lower compared to women who reported this in over twice as many cases. This fits with the fact that small-scale, more regular neighbourly exchanges of resources tend to be the domain of women.

However, interestingly, food was mentioned by almost a third of men (10 cases), more than *frequent* financial support (7 cases), and may have been a particular concern at the time, due to the stage of the hungry season in Kitui when the research was conducted. Food was discussed by men in a similar way to women – of neighbours and brothers (who are also frequently neighbours) helping out with small items that are missing, assisting dependent relatives or simply buying coffee or tea for a friend.

Of the 32 men interviewed, 7 reported cases of frequent financial support and these were of very mixed types including brothers who sent money weekly (2 cases); support from a parent; a few cases of lending out small amounts that are repaid; and others which were one-way.

The low level of small-scale giving and borrowing reported is a little bit of a surprise! This lower reporting of frequent exchanges may in part have been biased by the earlier discussion of significant and important exchanges – some of these, as noted above, were quite frequent but could be relatively large amounts, and so were regarded as significant and important and not raised again in the frequent part of the discussion.

Labour was mentioned in the context of helping neighbours with ploughing, and paying back funds by doing casual labour instead; a woman reciprocated advice she received in relation to a marital dispute by coming and helping out in the homestead; a female neighbour to a young man who helps him with collecting water when living in town and also gives him items on credit from her stall.

5.5 CONCLUSIONS

This evidence suggests a strong pattern of relationships with those who are not immediate family, within which resource exchanges take place, although instances from immediate family were reported. However, the case where a young married man's further college education was sponsored by his father suggests that there was an extent to which the interpretation of significant/important in this context was seen as one in which accepted norms were deviated from. In other cases they appeared to involve contexts of a lack of expectation where either spontaneous assistance was given or a request for assistance was responded to.

The prevalence of non-family is understandable from a number of perspectives. First, from an economic perspective, those who are outside the immediate family do more to diversify sources of support and offer access to wider resource bases which can also help to manage idiosyncratic risks or shocks.

Second, it was notable how past relationships – especially friends but also relatives – were a theme in how assistance arose, with it occurring through these in a range of types and forms. It is perhaps not surprising that these were reported as significant or important to respondents for their indication that this was a valued relationship, nevertheless they stand to illustrate the ways in which connections built in the past even the quite distant past and that have been forgotten – result in benefits in the present.

The examples of how young men friends supported each other seem particularly notable and the scale of some of these appears considerable relative to their means. Indeed they may in fact arise from young men's greater exclusion from other services. The case of the young man deliberately seeking funds to on-lend to his friend seems to highlight in particular the need to build strategies which can help avoid further trips to the expensive moneylender.

Moreover, bringing financial dimensions into relationships is seen as a means through which relationships are consolidated and deepened.⁶ The discourse of male respondents on exchanges with brothers and friends seems to highlight the point that when support is given, boundaries are crossed and real friendship is signalled. However, it is not that friends become brothers, but rather that brothers become friends since brothers may not support as reliably as 'real' friends do. Among women, this affective dimension was expressed much more emotively by referring to the bringing of material support into a relationship as resulting in adopting someone – usually a child – or the problem itself, to be solved as one's own.

By asking about significant or important exchanges, this study did not explore

⁶ In stark contrast with developed Western societies where material exchanges between friends of any significance – and certainly financial ones – tend to be avoided for fear that they will damage relationships. Moreover, this is also possible because of primary dependence on more reliable labour and credit markets.

directly the support of spouses, parents and children at particular life stages. However, the evidence does not fit a simple Sahlinesque approach in which it is expected that the closest kin are involved in the most open-ended forms of reciprocity, while those further away require a more balanced form. It is clear here that what is involved in relationships is much more open and fluid — with friends becoming seen as close, while relationships with kin can appear more distant depending on how relationships play out.

The evidence reported here reveals some support which is of quite considerable scale. A loan of Kshs150,000 from a brother was the largest sum and was in the context of Kshs450,000 being raised through social networks. However, amounts of Kshs20,000 which are given in single or multiple transactions and not expected back, suggest sums can be both significant in absolute terms and certainly with respect to the recipient's circumstances. Interestingly, these amounts can be compared with data on loan amounts from financial institutions and informal groups from earlier research in these same areas:

Median loan sizes from formal institutions were in the range Kshs30–40,000; the median amount received from informal ASCA groups was Kshs2,000; while those received from individuals had a median of Kshs1,250⁷. While this suggests that 'significance' did in many cases have some relationship to the size of the support, it is also indicative that amounts being received through these relationships are comparable to amounts sought and received as formal loans, and further substantiates the importance of these relationships as providing competition to the financial sector.

Finally, the types of exchange occurring in these relationships is frequently multi-dimensional and this seemed particularly so among women who exchanged a range of everyday resources with friends and neighbours.

⁷ See (Johnson et al., 2012).

Chapter 6

THE NATURE OF SUPPORT: CULTURAL NORMS AND MORAL REASONING

As indicated above and as evident from the previous section, the nature of the support received ranged across the following:

- Borrowing of money with interest (loans);
- Borrowing of money or goods without interest but where something additional is added on top afterwards;
- Borrowing of money or goods without interest where the same value is returned;
- Gifts that had no immediate return but were explained as responding to a past benefit or expected to result in some future benefit; and
- Gifts that had no immediate return and no expectation of a return was indicated.

I deliberately use the term borrowing here rather than loans. The Swahili terminology for 'to borrow' is *kopa*, while 'to lend' uses the passive voice of *kopesha* or 'to make borrow'. The term for loan is *mkopo* though direct adoption of the English word is also used as *loani*. However, while loans are always understood as being paid with interest – and hence usually understood as coming from moneylenders or financial institutions – 'borrowing' can be paid with or without interest, as is agreed when the funds are given.⁸

6.1 BORROWING

The reporting of borrowing paid with interest was rare compared to borrowing without interest and only one such case was reported as constituting *significant* or important support. This case was in Nyamira where the wife in a couple in their thirties, who had five children, reported going and borrowing from a friend locally. She explained that their building project had stalled and so she borrowed Kshs20,000 from this friend in the village and has been paying at 20% interest per month (Kshs4,000) until she can return it. This is consistent with our interview two years earlier, in which the same respondent reported borrowing from a moneylender locally – but at 10% interest – and in that case to buy a motorbike. It was her husband who reported above that someone who is a real friend is someone who lends without interest. Interestingly, this couple had put a rather limited number of people on each of their social maps: the woman put 5 and the husband put 7 people in the initial map – approximately half of the mean average for all respondents, which suggests that this couple had rather weak social connections. Moreover, this couple were one of the most notable in our first round of interviews, in the extent to which they managed the household finances together and the very deliberate intentions and focus they had on developing their businesses and asset base.

This example suggests therefore the convergence of having to borrow at interest with a weak social network, which could be associated with the way they have pursued their business focus and its consequence for their social

connections.⁹ However, there is a more general observation that borrowing money for asset accumulation in Nyamira tends to attract interest compared to instances of borrowing for other purposes.

When money or items are borrowed and produce a return, then it is possible that some of this is given to the one from whom the resources came. This is sometimes referred to as the repayment of goods or money with 'something on top'. One instance of this was where a woman's neighbour requested to 'borrow' pigeon-pea seedlings in the context that this woman and her neighbour help each other with things they are lacking. The neighbour got a very good harvest from these and as a result bought her a *kanga* and a *leso* and gave her the money to have them made into a dress – these being worth about twice the value of the seedlings given. She explains this in Swahili as *kurudisha asante* – 'giving back thanks' or appreciation.

Another case was where a man who runs *boda bodas* had had a motorbike stolen and turned to his friends to help him buy another. Various friends had helped him, but the wife of his friend from school – who had lent him Kshs10,000 – called to tell him that her business was not doing well. He explained that he would try to pay her the money that month and would *'even add two thousand when I see that things are fine'* [620/1]. A young man trading *miraa* explained that his brother who is also a businessman can ask him for money; while sometimes they help each other in this way without expecting a refund, at other times, when the brother has a job to finish, he can return it with *'something on top'* [919/3].

However, the majority of cases conform to a model in which the same value is returned as was borrowed – regardless of the length of time involved. One of the shortest timescales in which this is done is one of delayed payment, where respondents were able to obtain business stock or materials on credit and pay later, or in which consumer goods are taken from the local shop and paid for later.

Where it is longer term, the borrowing 'arrangement' is made when the funds are taken. The case outlined above, where a woman whose daughter was given funds by her sister-in-law so that she could return to school, is instructive: The woman had not asked the sister-in-law to assist and explained that she had quizzed her daughter about the support to see if there was any mention of it being returned at the outset, having *'asked if she told her anything'* [814/1]. Hence her disappointment that she was then asked to repay it had two dimensions: that she did not request the assistance in the first place; and that the sister-in-law had also not specified these terms to her daughter.¹⁰

⁹ In the sense that they may be more focussed on investment in their own enterprises and household than sharing resources within their wider networks, with consequences for their social connections.

¹⁰ Of course one might justify that the sister-in-law did not wish to burden the daughter with this or she may have changed her mind at some later point and decided to ask for something back that she had not originally intended – the point still stands that the nature of the support as being borrowing or a gift was not effectively communicated at the outset.

⁸ See (Krijtenburg, 2013) for a more detailed discussion of terms.

The time for repayment is usually linked to a time at which the borrower believes he or she will have the ability to repay – even if it is next year's harvest or tea bonus – and hence is dependent on the vagaries of their own uncertain livelihoods. However, this can also be affected by the lender's need to have the money returned, as in the case just discussed in which a woman came asking for her funds. An exception is apparent when the situation is an emergency – as a young man who helped a friend with funds when his wife needed a caesarean explained: He said that he did not specify the duration of the loan because *'when someone is suffering there is no way you can start questioning him about when it will be returned'* [401/3]. In another case, where a man lent his brother funds for an operation for his wife, he explained that since the wife was not yet well, and his brother had even had to sell his cow and that his income from selling vegetables is variable, he could not harass him to pay back, also because he is his brother [309/1].

A case of support given in the event of a shock further highlights how the lack of clarity over a boundary between borrowing and more open-ended support can arise:

The respondent guaranteed a friend's loan from Equity but the friend's charcoal store had been broken into, the charcoal stolen, and since he could not repay the loan, he ran away. The respondent and his friends paid the money and then went looking for him. To date, they have not asked him for the money, but he sells them charcoal at a discount: *'We don't see any wrong because he sells us charcoal and we are happy that he is coming up. He brought a whole lorry of charcoal. I thought that he would pay us during the time tea farmers were paid bonus but he hasn't. Anyway, we have not asked him and we saw that . . . it is better if . . . you know, when a problem comes is when you go and tell him "I have a problem now:"'* [620/1]

However, social power dynamics may also operate to affect the specification of the repayment. An example given by the young electrical contractor was that he had sent a friend Kshs1000 the previous day in response to his request. The friend was very important to him as he dealt with him continuously in order to get electricity installed in people's houses but while he knew he would pay back, he did not know when [102/3]. This suggests that the position of the friend was sufficiently important to him that he could break the norm of specifying when the return was due.

Despite this flexibility, where repayment does not appear to have occurred in good faith, then there is disappointment and consequences for the relationship. A respondent explains how he cannot lend again to his distant cousin who trades in maize and had borrowed Kshs500 to take her maize somewhere and not returned it: *'If it's requesting without paying back, its ok because you will forget but if it's lending, it might not work as it can kill our relationship . . . It's like a promise that is not fulfilled. Even the heart to give help*

dies' [619/1]. Similarly, a man who had borrowed from his group to install electricity in his house and undertake repairs and furnishing, lent a *significant* proportion of this money – Kshs15,000 – to a female friend for school fees. She promised to pay in two months when she received a loan from the bank. She did not get the loan because she had another outstanding, and paid him in instalments, and he was not able to achieve what he wanted to with the money. He explained that he realised that she had prioritised her own business and was not entirely truthful about what was happening. By contrast, he then went on to explain how another friend – to whom he had lent Kshs10,000 to buy stock for his shop – informs him when he does not have money and tells him when he will repay, saying he will even go to the friend to borrow money: *'We are in good terms'* [211/1]. This highlights that the way in which the relationship is maintained is part of the flexibility in repaying the funds.

6.2 GIFTS AND RECIPROCITY

As is apparent from some of the discussion above, there are various expectations that even when money or other support is not borrowed, then there is a range of forms of support occurring which may constitute a return gift or a form of reciprocity. The patterns evident from our interviews suggest there are broadly two types of exchange: those in which some kind of reciprocity has been experienced in the past or is anticipated; and others where this is not the case.

A clear case was that of assisting nephews, nieces or other children in need of school fees because in future they will *'help us or somebody else'* [408/2]. A woman explained how she had helped two nephews with school costs when her own children were still young and how they were now assisting her to send her son to school, and that she also gives them produce from her farm when they visit. One of these is now a doctor at Kenyatta Hospital. She says *'Yes, he went to school, now is time to . . . [laughs] get the benefit'* [418/2]. And in a similar instance, her husband explains how his niece who is now a doctor in Kisumu helped with his daughters' exam fees: *'My kids were still young when they were studying and I used to help them a lot and that's why we become closer and loved each other. So when I thought of that, I decided to call her and ask for help then she sent me the money'* [418/1].

Even within immediate family relationships a father explained how his son is helping him with school fees for a younger child: *'In my own opinion it's his clever way of wanting to give back the fees I paid for him, helping me in that manner because I helped him very much'* [706/1].

On the other hand, the context of family membership creates an obligation of support. As was indicated above, it is hard to decline when someone asks because tomorrow it might be you with the problem [506/1] even though that tomorrow might be distant. Hence a son explained how he took his father to the clinic knowing the father had no money for medication and then took care of the bill. He explained it as being his turn to care for him since his father was the one who had educated him [408/1].

However, even while people explain their past relationships of assisting each other, the idea that an overt logic of reciprocity was involved was rejected. Explaining how she needed help from her sister and cousin with funds for a harambee for the church's Women's Guild, she said: *'I never helped them as such because you don't help because you've been helped and you don't ask for help because you helped and am happy I just asked them and they gave me'* [211/2]. Or similarly, a case where a man reported assisting his friend, recounting a case where he did not have food and his friend came with a sack of maize which he did not ask to be returned [418/1]. The interviewer asked whether this was due to a motive of reciprocity: *'No. We just help him because he is our friend'*. This signals strongly that it was the affective aspect of the relationship that was emphasised over the reciprocal aspect.

However, explanations of support to friends did in some cases have more overt logics of anticipated reciprocity. In two cases this actually resulted in the respondent borrowing from others in order to assist:

A carpenter in his 30s explained how he had borrowed Kshs5,000 each, from both his mother and his sister (who verbally abused him in the process) to lend Kshs10,000 to a friend who needed to rent land in Narok. He explained that he had done this because he himself had had to go to a moneylender to borrow Kshs10,000 when he needed it urgently to buy a piece of land and had had to pay Kshs2,000 for this. He hoped therefore that this friend would do the same for him when he is in need. This example also fits with the point made above about the paying of interest on borrowing for business or asset acquisition in Nyamira and indicates that this man was deliberately seeking to cultivate a relationship which would avoid him having to do this again.

The giving and receiving of items with no direct return expected was explained by many respondents — *'He has used a lot of my money, I have also used a lot of his money. That was just giving. I don't expect the money back'* [621/1] — even where this did not particularly involve business. For women, this was strongly among neighbours and friends who lent small amounts of food and other household goods (salt, paraffin etc.). Support was very simply explained as an ongoing form of reciprocity within a friendship.

In contrast to this form of fairly frequent but balanced reciprocity that occurs with particular individuals, a way in which wider, more diffuse and small-scale obligations are established is through assisting others with fundraising or similar events. An example of this was again provided by the young electrical contractor who had graduated from college and held a party. He explained that even though local people were not necessarily invited, they came because they knew him and contributed to a sum of Kshs16,000. While he explained that they did not expect him to pay anything back, he said that at the same time they later come with their 'cards', reminding him that they came for his

graduation. These are invitations to their own fundraising events which require, if not attendance at the event, at least a contribution [102/3]. In a reverse case, a respondent who had had a motorbike accident asked for support from his MP and was sent Kshs500 via MMT. He explained that they had fundraised for the MP when he was going to university, noting: *'Even when we meet while he is driving, he stops and hands me over five hundred shillings, and he is like "go and eat that one."'* [708/1]

Finally, we have instances where there is clearly a more charitable dimension to the support given or received, even where this was within family relationships:

An elderly woman who was sister to the respondent's grandmother would stay at her son's place but had not necessarily eaten: *'If people who are in need are helped by those that have, then it is good'* [408/2] and the woman's gratitude made her feel it was important.

'If someone doesn't have something and you have, you just give it to him/her.' [506/2]

In another case, a woman explains that a woman nearby does not have strength to work and her husband is a drunkard so their children steal bananas from people's farms and go at night to pluck their tea. Therefore, when the woman asks, therefore gives, explaining: *'You know he who borrows is better than one who steals from you.'* Although the woman is not in fact borrowing and the respondent is really giving the food, she says that this is not because she fears that they will steal from her but is indicating that in this way she can help the woman to be better by asking rather than stealing [418/2].

Interestingly there were a number of instances where respondents described giving support although it effectively involved paying for a job that had been done. The issue here was pointed out above, in that the task was given as a way of offering support when the person was clearly in dire need and that it could not be refused:

'If somebody comes in your homestead, and ask for your help you have to help her. I did not have work to give her but I gave her food from the farm because of her children. I felt pity for the children and it is not nice if the children slept hungry and you have food in the farm, It is God who gives. If it was her alone and I could see she is strong I could have assumed she has refused to work and not help her, but she was hungry indeed as well for the children because she cannot refuse to work and the children are hungry. She went and made githeri for her children that day.' [309/2]

A number of these cases involved a reference to God or involved a relationship via the church:

A young man relating his support to an orphan: *'You know, the church tells you, you give you will be given . . . giving comes from the heart.'* He

explains that children in a nearby home are in a '*pathetic situation*' and you need to help '*uplift them . . . I don't give because of anything.*' [102/3]

But even where people do not have enough themselves, they can give:

A woman whose neighbour's husband had died: '*There was a time she was starving so she came to me and asked for help even though I didn't have enough too, I decided to just give her what I had knowing that God will bless me. I always give when I have.*' [510/2]

Feedback and gratitude for assistance is also important:

A shoe seller with a stall in the town recounts a case where a woman whom he did not know, had come with her children from Siaya to find her husband and asked for help. The children were cold, so he took them for tea in a hotel and mobilised other church members to help her with her fare back home. When she got home she called to say she had reached there safely and was OK and he felt that he had done a thing which had a big impact. [619/1]

Finally, it is expected that people contribute to fundraising events (*harambees*) even where these are essentially for private purposes such as higher education, sending a child abroad or medical expenses: '*If you hear someone is having a fundraising; you just help him or her. You try your best and contribute the amount that you have*' [708/1]. Where these are for charitable purposes, e.g. the Women's Guild or the church, is an opportunity to create social standing.

Being able to contribute to these as required – an amount may be specified – can in turn create demands on others for assistance. Moreover, assistance to fulfil these requirements is appreciated in turn [211/2]. A woman who organised a fundraising event, getting excellent cooperation from a friend whose children came from Nairobi as guests of honour and showed her much respect in the way they conducted themselves, felt that she had '*shamed the devil*' because people had thought she was not capable of organising such a successful event [216/2], illustrating how involvement in charitable fundraising can have a wider empowering impact.

6.3 CONCLUSIONS

This section has illustrated the nature of the arrangements reported by respondents which were captured by significant or frequent transfers. These were more often instances of open-ended reciprocity and gifts, rather than borrowing. However, the fact that something was borrowed did not necessarily make it a less important form of support but was also very much valued.

While respondents frequently clearly contextualised these resource transfers within past and future relationships of reciprocity, they tended to reject any overt motivation of reciprocity for one of friendship and social interaction. Moreover, a range of types of exchange can operate within a particular relationship – which might at one point be borrowing while at another a gift.

Chapter 7

PURPOSES OF TRANSACTIONS: COMBINING RELATIONSHIPS AND REASONING

The previous two sections have explored the relationships within which exchanges take place, the nature of the exchanges, and the moral reasonings people bring to them. This section brings these dimensions together to indicate particular nexuses of relationships and the nature of support with the purpose involved.

Business: Business people (the examples here were all men) frequently have relationships in which they lend resources to each other — these are relatives or friends — for the purpose of enabling them to take up business opportunities. For some, such as the young electrical contractor, these are so frequent that he and his friend, who operates the same business, do not even arrange when the money will come back, just knowing that they will be paid when the other gets paid. Where funds are understood as being used for business, and that someone has this source of income, then they are more easily given. This suggests that there may also be networks of support among business people that are important to explore in more depth.

Education: The support given by siblings and cousins to children for education is a clear nexus of transfers. These ranged from one-off support — such as the case above where a brother offered to sell his cow, and duly did so, to the respondent's surprise [706/1] — to ongoing support, which was especially the case where children were orphaned. We can highlight again the case of the respondent who expressed disappointment when a sister-in-law asked for funds that had been given to the respondent's daughter — and which helped her return to school — which seems to also underline the norm of this type of transfer. This woman herself had contrasted this case with one where her cousin, whom she had supported in the past, is assisting her daughter in school. The reasons for giving school fees and related assistance encompassed, first, need i.e. there is no need if the parents can afford it; second, the promise of the child; and third, the potential for the child to support the giver or others in the future. It was also indicated that this had happened when the respondent's own children were young. This is notable in that, while this could be a time to save school fees for their own children's future, the norm is in fact to invest in the education of others who need it at that time. Considering this from an economic point of view, the potential returns are likely to be much greater than saving in a bank account, and especially if that child later secures a good job, as in the cases above where a nephew and a niece had both become doctors.

Further, and as examples above have shown, where education costs are large and lumpy, usually involving tertiary education, fundraising events might be held and these create future obligations to others who donate.

Health: The nature of exchanges here was more mixed, varying from funds being lent to outright gifts. This appeared to depend much more on the relationship of the giver to the receiver, so that the young man who lent his friend funds for his wife's caesarean described how the man, whom he had known in primary school and in college, had called him asking '*like a joke*'

[401/3] — suggesting that this was not a particularly close relationship and that he was not expecting the help. While the young man sent him the funds, he explained '*You know problems are for everyone, today it's you tomorrow it's me.*' This, therefore, has a reasoning of managing idiosyncratic shocks. However, even a brother might lend rather than give, though with a very open-ended repayment term as the case above indicates.

On the other hand, a respondent whose elderly mother had had serious medical problems over the previous few years, requiring significant amounts of money, recounted how her husband, children, uncle, other relatives, friends and church members had assisted them, including through a *harambee* to cover the costs. Where medical expenses are especially large then fundraising via *harambees* can be justified and these are more clearly gifts which are not to be returned but operate within relationships which can involve people in future obligations. Interestingly, it is also possible that funds given, at first, to assist may later be repaid, as in a case where a later *harambee* raised enough money that those who had originally assisted could get their funds back.

The implication here is that there are a range of factors which enter into the consideration of whether funds are given, reciprocated or lent. These include the closeness of the relationship (immediate family are more likely to give without expectation of return); the ability of the person being assisted to repay; and the scale of the problem.

Food: Support given in the form of food or funds for food appears to operate broadly in three ways:

- It operates within ongoing relationships where there are frequent exchanges which — especially among women — are multi-dimensional and in which different types of support may be exchanged. This occurred both where food was particularly insecure in Kitui, but also in more food secure situations.
- Where hunger led to requests for food from relatives these seemed to result in instances where the offer to repay was in fact rejected.
- Cases of hunger and need which were clearly from people in greater need resulted in giving which could also involve retaining the dignity of the respondent by giving them some work to do in return.

Shocks: Beyond health emergencies are other types of shock such as theft; legal cases over land or other things where someone might end up being arrested and taken to jail; and avoiding seizure of assets when someone is defaulting on a loan. In these cases, the way in which support is given may not be negotiated at the outset. As pointed out above, this can lead to lack of clarity over the nature of the support given, as a loan or gift. At the same time it offers opportunities to underpin relationships. The same respondent who helped his friend pay a loan from Equity, also helped the family of a man who neighbour a plot of land he has in another place to get bail by using his title deed to secure the bond.

Chapter 8

THE IMPACT OF MOBILE MONEY TRANSFER

This section explores the role of mobile money within this broader context of the relationships, nature and types of transfers that are taking place. While questions about MMT use elicited material about its convenience, cost-effectiveness and ease of use, along with examples of using it for saving and instances of new hazards, the material reported here concentrates on the ways in which respondents considered how it fitted into their relationships and the impact it had on them.

The way in which the giving and receiving of funds via MMT was connected was well expressed: *'If you have a means to send then you will receive more as well'* [309/2]. This suggests an understanding of the reciprocal dimension. The respondent then reported that before MMT, her mother used to tell her to *'go and get money'* but now sends to her regularly, also explaining that this was because her brother and sister have good jobs and she is not as well off.

MMT now offers the potential to reach further into social networks at times of need. In a case described above, a respondent needed funds to send his child to school and, remembering his niece who he had helped when she was at school, in a way that had brought them closer together [418/1], decided to call her and ask for her help. Another example was the man who contacted his MP for support after having had a motorbike accident [708/1].

Only one case came to light in which persistence clearly paid off: A respondent's young female relative had kept sending 'please call me' messages and had asked him for Khs100. He preferred to meet her to give her the money, but she was some 30km away and refused to come to the town, so he sent it anyway.

Given that MMT is everywhere, one respondent explained that if you say that you do not have time to send, people may conclude that you do not want to assist, compared to before when it was harder to do so:

'Now let me say, it has that problem but we can't say that it is a problem that fails us because if we look at the other side, it helps us because we receive and people love to receive but to send or give, you see it is very difficult. It makes the sender feel like the recipient is disturbing him/her very much.' [211/1]

But in contrast, some indicate that there is a choice and the situation has to be assessed on its merits:

'Even if you are asked, you send it willingly, you are not forced (laughing). If a person asks for money from you, it is not a must that you should have to send. . . . You send it willingly. If you see that the problem of a certain person needs money, you send because you have analysed the problem

and you know he deserves to be helped. I don't think MPesa was brought to make the life of other people to be hard because of sending, you just send willingly.' [506/1]

On the other hand, the young electrical contractor [102/3] certainly took a dim view of his sister, who calls him frequently, saying she knows he has had a job and asking him to send her a few hundred shillings: *'I just send her the money to avoid complications. She knows I have but I can't be able to give the reason why I can't send, I have a phone and she knows I have the money.'* And of such requests from others, he says that you first *'judge the person'* as to whether they are telling you something that is *'not serious'* and you can decline the offer by delaying and saying you do not have the money now but will send it in a few days.

However the flip side of this is the ease of sending and enabling relationships to be cemented by doing so. The woman above, who lent funds to her cousin at some distance in order that she could complete a land transaction [917/2], cited the ease of doing this by MMT, especially given that the banks would have been a bit far for her cousin to go to (a fare of Kshs100) had she sent it through an account, and she explained that this had brought them closer together.

But for those who have few connections at a distance *'It's rare. For me to receive money is not easy. If you have no people to send you money, you will not receive money from MPesa. Now like my brother in Nairobi, he only sends money through MPesa because he is far and it's expensive for him to come here so it's better he just sends. He is the only one I see sending money here.'* [510/1]

On balance the service was seen as enabling people to help each other in ways that supported relationships rather than undermining them. We did not specifically ask about instances of avoiding requests but the discussion above nevertheless touched on this and could have come out further if it had been more of a problem. Hence while mobile phones and MMT do allow the extension of requests to more distantly located connections, these narratives suggest that it is the quality of these relationships that matter, and that MMT does not obviously undermine these, although people are finding new ways to manage them. Rather it is the validity of the request and the relationship within which it is made that is judged and hence those who violate acceptable norms of requests are likely to damage their relationships.

Chapter 9

RELATIONSHIPS WITH FINANCIAL SERVICES

The final part of the interview asked respondents about the financial services they use and asked them to place these on the social map. Given that respondents had completed their social network maps as described above, this proved a powerful way to understand how people related to them by enabling them to explain why the services were close to them or further away and which elicited a sense of the affective dimension they involved. I discuss the main categories of financial services in turn and draw out the relevant gender dimensions of these findings.

The main finding here was the way in which people explained why services were close to them. The most notable of these was the way in which banks or SACCOs that had made loans to them would be put in the first circle, right next to the respondent, with an explanation of how the bank has supported them. There were cases where despite having received loans, the lending organisation was placed in the third circle, but the striking tendency was to recognise that the support given in the form of loans was very helpful. More men had borrowed from banks and SACCOs than women:

This man had borrowed from the bank some five times while employed as a driver, though his account was now dormant because he was no longer employed. He used the loans to help buy from his brothers the plot of land on which he had recently built a house. *'The bank has brought me a long way. It is even more than the way brothers could have helped me. The bank has brought me from far till now. It is the bank that helped me move to this place where I am now. No one would have done the same.'* [309/1]

A businesswoman who had borrowed from a bank, against her shoes, bags and clothes retail business, repeatedly and over many years, referred to the bank in a striking metaphor:

'It is my mother! ... They help me, you know somebody's mother ... if you breast feed that is your mother ... So, even if I am oppressed, in interest, it helps me because I know there is no other place where somebody can give me that money.' [317/2]

Apart from these cases, banks and SACCOs were placed in the second or third circle. Where respondents were asked how the bank could move from the third to the first, the answer was equally very clear: if they give loans. *'This can encourage people to keep money with the bank'* [401/3]; *'You register where you think you can be helped'* [202/3]. The banks and SACCOs were criticised for the procedures involved in accessing loans and were sometimes placed outside all of the circles where experiences had been difficult. Another respondent explained that people had to *'participate more'* in the bank for it to help you, that is, that lending was against cash flow – but the respondent also recognised that this was something people do not understand [905/1]. However, a businessman who was seeking to regularly deposit funds because

he knew this was necessary in order to build his eligibility stated that he had still not met the loan requirements, saying he wanted to be finished with his house construction project first.

Others complained of the bureaucracy and procedures, a respondent explaining that he would like a bank to be more reachable *'as in it becomes like calling a friend and you get money where you don't have to fill so many forms and guarantors since that process is too much especially when you need a small amount of money'* [212/2]. In a couple of cases, where loans were received from the bank via groups at low interest rates (8% for the Government's youth loan funds) this also raised the bank's status in the social network [418/1]. Although one borrower explained that his bank did not harass him for repayment too much, they charged him Kshs200 every time they called him when he was a day late with his payment.

The cost and inaccessibility of services was made clear by a respondent who explained how his tea payment was too small to come through the bank and that he could start using the bank when he had finished educating his children and paying for his land! So this was seen as a possibility for a future state in which he might expect to have funds that were not immediately needed for these purposes.

On the other hand, the ability to borrow funds through one's social network and to use MMT meant that the woman who borrowed from her brother to buy a taxi, preferred this to going to the bank because she would have to pay interest, explaining that that would be the last option [917/2].

Other services such as SGs and merry-go-rounds which had *'helped a lot'* or played a role in *'uplifting'* respondents¹¹ – or were expected to – were placed in the first circle. When these were seen as particularly helpful was when they delivered money frequently – every few weeks or months. Where a respondent had more than one group, one that delivered funds regularly and which, from the respondent's perspective, could help you with *'something serious'* [414/2] – it was put in a higher circle than the other.

However, the uplifting that groups offer is not solely related to funds but can also be related to the purpose of the group e.g. house construction or even merry-go-rounds which deliver utensils. These leave people with tangible evidence of the benefit of the group. A woman who put her MGR, which bought household items, into a nearer circle than one that gave her cash explained that she would otherwise use it on something else and not on what she had really wanted to buy. This is another dimension of discipline, also underlined by a woman who explained that she liked the loan products of one MFI because they were tied directly to the payment of school fees or the purchase of an animal. This problem was tragically underlined by a respondent who explained how she had assisted a neighbour who was an MFI

¹¹ See also Froujke's report.

client who had taken a loan and spent the money on things she should not have bought even before she had got home. The respondent, having had her own experience of the difficulties of MFIs, and finding the woman threatening suicide, had assisted the woman with payments for three months before the MFI and group members came to her house. Up to this point her husband had not even known about the loan. The neighbour assisted again to avoid the woman's property being seized.

As is well known in the literature on groups, one dimension of the assistance of groups is the discipline they enable in *contributions* since there are many things to spend money on, on a daily basis [510/1]. The discipline it offers regarding *withdrawals* is a further dimension. Groups contrast with saving in the bank because it is too easy to go there and take the money and offers no 'challenge' [102/3] — that is, there are no questions asked. Whereas with a group, the respondent explains, they ask you when you want your money and the group tells you *'unless somebody is sick we can't give you this money.'*

As has been pointed out elsewhere, the discipline of groups has been emphasised without a counterpart understanding of the flexibility they also offer. This flexibility in access to a proximate pool of liquidity is the result of the relationships within the group which allow for negotiation in asking for funds. The need for 'challenge' indicates that it is necessary to make a case at the point of need to withdraw the funds or access the pot out of turn. When something urgent arises *'you will have to talk to them, you call them they come we talk, we agree then we go to the bank [where funds are kept] and you are given your money'* [917/2]. Withdrawal is not on demand but a case can be made. Flexibility is achieved by allowing people to access funds when it is not their turn [619/2] or to swap numbers with others when needed [620/2]. The character of the group, in this way, is variable and when this flexibility fails, disappointments can be significant. A young woman whose brother was very sick went to her MGR to ask for funds before it was her turn because she wanted to go and visit him. She was not given the money and he *'died when I have not seen him. That is when I saw that these merry-go-rounds cannot help somebody.'* [621/2]

On occasion, banks were put in the second circle on the basis of savings alone, it being explained that it was possible to deposit and withdraw there. This was commented on by a few women and one man. The ability to withdraw from

a bank account would seem expected — but the very fact that banks were explained as assisting because they allowed withdrawal just as you wish, is of course a significant contrast to the situation with groups, and is therefore notable for that reason. On the other hand, the terminology of withdrawal was also used in relation to an SG and the receipt of a loan. This was seen as a way of withdrawing and that the group then wanted ten per cent of that money which she then refunded.

Welfare groups were particularly prominent in Kitui. While most people put these in the third circle, explaining that it was there to help in cases of funerals, and *'in death not life'* [905/1]; one put it in the first circle explaining that it could also help if he murdered or injured someone, and there was need for a blood payment, as well as if he died [706/1].

The difficulties of accessing effective groups is evident for men and women; women noted groups that had not worked out or had disappointed them, while men also reported groups that were not doing well.

Experience of MFIs is varied but a strong narrative was evident in all three locations of the experience of people losing assets — especially their iron sheet roofs and livestock — and this was frequently given as a reason that it was not possible to join these organisations, especially by women. The inflexibility compared to user-owned groups is apparent when someone explains that she needs a group where they are patient and where *'we can negotiate. There is no agreement there [i.e. in the MFI] . . . They just come and take anything from your house then go and sell it.'* [708/2]

This examination of the relationships that respondents had with their financial services exposed a dimension of discussion of their affective dimensions and characteristics related to discipline. It powerfully demonstrated how access to bank loans usually resulted in the service being seen as very close — to the extent of using a metaphor of being breastfed by the bank. This underlines the finding of the Financial Landscapes research that the way financial institutions fit into the relational dynamics of support that people receive from other actors in their social networks is a critical dimension of how they are perceived and understood.

Chapter 10

CONCLUSIONS

This research has revealed a number of features of informal interpersonal financial transactions that have had little discussion in recent literature.

First, it indicates the extent and meaningful importance of both significant and frequent exchanges which occur with people beyond the immediate family. The importance of friends and siblings for men, and siblings, neighbours and friends for women, suggests that it is those who are a step removed from the immediate family who can be perceived as particularly important sources of support. The findings also indicated the strong affective dimensions that the giving and receiving of support elicits. While there are norms that siblings in particular can assist, this is not always possible. Hence when they do, they demonstrate their reliability and closeness, as do friends who cement their relationships through providing support and becoming 'real' friends.

Nevertheless, it is not possible to directly relate the nature of the exchange to the social distance involved. Whether funds are clearly borrowed, given, or given with some expectation of future reciprocity is specific to the context of a transaction. The degree of intimacy may, however, temper the response when the terms of borrowing are not followed. In that way, material transactions both cement relationships when there is a response to a request and strain them when the terms are not clear or not followed. As Shipton argues, such transactions provide a social circuitry that is as 'kinetic as electricity' (2007: 208) and as Graeber points out debts are what arise in the shadow of eventual equality when the exchange

is completed and 'just about everything human happens in between' (Graeber, 2011, p. 122).

In this context, it does not appear that the availability of MMT has put these relationships under particular strain for our respondents. Rather it has made it possible to reach out into social networks, and given the value and meaning these have for people, this is generally a benefit rather than a burden and there is little suggestion here that the norms surrounding requests have been pushed to breaking point.

The report has pointed out some particular nexuses of transactions for specific purposes that the research found most prominent. These suggest particular dimensions in which the formal sector may be in competition with these informal sector transactions: particularly, short-term working capital for business people or support from siblings and cousins for education expenses. At the same time these may suggest modalities for development in these areas, such as school fee products marketed around nephews and nieces, as well as one's own children.

More fundamentally, this evidence underlines the way in which financial sector services appear relatively remote and on the fringes of people's social networks and how they are catapulted to the centre of these when the reciprocal dimension of receiving support in the form of a loan is fulfilled.

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